**§856. Determination and authorization of indemnification**

**1. Prerequisites to indemnity.**  A corporation may not indemnify a director under section 852, subsection 1 unless authorized for a specific proceeding after a determination has been made that indemnification of the director is permissible because the director has met the relevant standard of conduct set forth in section 852.

[PL 2003, c. 344, Pt. B, §68 (AMD).]

**2. Determination of permissibility.**  A determination under subsection 1 that indemnification is permissible must be made:

A. If there are 2 or more qualified directors, by the corporation's board of directors by a majority vote of all the qualified directors, a majority of whom for this purpose constitutes a quorum, or by a majority of the members of a committee of 2 or more qualified directors appointed by a majority vote of all the qualified directors; [PL 2007, c. 289, §25 (AMD).]

B. By special legal counsel:

(1) Selected in the manner prescribed in paragraph A; or

(2) If there are fewer than 2 qualified directors, selected by the corporation's board of directors in which selection directors who are not qualified directors may participate; or [PL 2007, c. 289, §25 (AMD).]

C. By the shareholders, but shares owned by or voted under the control of a director who at the time is not a qualified director may not be voted on the determination. [PL 2007, c. 289, §25 (AMD).]

[PL 2007, c. 289, §25 (AMD).]

**3. Authorization process.**  Authorization of indemnification must be made in the same manner as the determination that indemnification is permissible, except that if there are fewer than 2 qualified directors or if the determination is made by special legal counsel, authorization of indemnification must be made by those entitled to select special legal counsel under subsection 2, paragraph B, subparagraph (2).

[PL 2007, c. 289, §26 (AMD).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §B68 (AMD). PL 2007, c. 289, §§25, 26 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1. 2023
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.